

Section 125 POP Application

8/27/2008

1. Employer Information (Purchaser, unless otherwise listed)			
First Name		Last Name	
Address			
City		State	Zip Code
Phone		Fax	
Email			
Form of Business	<input type="checkbox"/> S Corporation	<input type="checkbox"/> LLC	<input type="checkbox"/> Sole Proprietorship
	<input type="checkbox"/> C Corporation	<input type="checkbox"/> Partnership	<input type="checkbox"/> Non-Profit 501(c)(3)
Federal ID		Income State	No. of Employees
Legal Name(s) of affiliated Companies that will be covered by plan (if any):			
a.		b.	c.
2. Plan Administrator (Employer, unless otherwise listed)			
First Name		Last Name	
Address			
City		State	Zip Code
Phone		Fax	
Email			
3. Benefit Programs to be Offered			Other Plan(s)
<input type="checkbox"/> Health Insurance	<input type="checkbox"/> Vision Care	<input type="checkbox"/> Group Term Life to \$50k	<input type="checkbox"/>
<input type="checkbox"/> Dental Insurance	<input type="checkbox"/> Cancer Insurance	<input type="checkbox"/> Accident Insurance	<input type="checkbox"/>
4. Plan Effective Date	<input type="checkbox"/> Original Plan Date: <input type="checkbox"/> New Plan Date:	<input type="checkbox"/> Is this a Restatement or Amendment to an original plan ?	
5. Eligibility Requirements	All Employees who work more than _____ hours per week.		
6. Waiting Period	Employees can participate the first day of the month following _____ days of employment.		

The individual whose signature appears below represents and warrants that he or she possesses the full power and authority to execute this form.

 Authorized Agent Name

 Title

 Authorized Agent Signature

 Date

Who Can Participate In a Section 125 Premium Only Plan?

Employees of regular corporations, S corporations, limited liability companies (LLC's), partnerships, sole-proprietors, professional corporations, and not-for-profits can all reduce payroll taxes by establishing a Section 125 Premium Only Plan. **While the IRS Code prohibits a sole proprietor, partner, members of an LLC (in most cases), or individuals owning more than 2% of an S corporation from participating in a Section 125 POP**, owners may still benefit from the savings on payroll taxes by sponsoring the plan for their employees.

7. Highly Compensated Employees

Highly Compensated Employees are Individuals who are included in one or more of the following categories:

- An Officer or,
- A shareholder owning more than 5% of the voting power or value of all classes of stock of the employer or,
- Highly compensated defined in Code section 414 (q). For 2008 it includes an employee earning over \$105,000 or,
- A spouse or dependant of the above

a.	e.
b.	f.
c.	g.
d.	h.

8. Key Employees

Key Employees are Individuals who are included in one or more of the following categories:

- An officer with annual compensation more than \$150,000 (for 2008), as indexed or,
- An Individual with more than 5% owner or,
- An Individual with more than 1% owner having compensation over \$150,000 (not indexed)

a.	e.
b.	f.
c.	g.
d.	h.

9. Other Employees

Other Employees are Individuals who are included in one or more of the following categories:

- Self-Employed Persons or,
- Partners in Partnership or,
- A more-than 2% share-holder of an S-Corporation

a.	e.
b.	f.
c.	g.
d.	h.

Important Note:

It is the employer's responsibility to notify Payville USA when adding individuals to the insurance plan who are not eligible to participate based on the criteria stated above. Ineligible individuals can only participate with a "post-tax" insurance deduction.

Discrimination Testing - A plan can not discriminate in favor of highly compensated employees or participants for purposes of the Eligibility Test or discriminate in favor of highly compensated participants for purposes of the Contributions and Benefits test. A plan also cannot discriminate in favor of key employees for purposes of the key employee concentration test.

Authorized Agent Signature

Date